

AHFC Item 2 Staff Report:

Funding in the amount of \$8,500,000 will be provided by the future issuance of City of Austin general obligation housing bonds, approved by the voters on November 7, 2006.

This action adopts the 2007-2008 General Obligation Capital Improvement Budget for the Austin Housing Finance Corporation (AHFC) and appropriates a budget of \$8,500,000. These funds will increase rental and homeownership opportunities for low-income residents of Austin. A service agreement will be negotiated and approved by the City of Austin in an amount not to exceed \$8,500,000.

An appropriation in the amount of \$5,400,000 will be available for the rental housing program. Eligible activities for the rental housing program may include but not be limited to permanent housing with supportive services, special needs housing and affordable rental housing through acquisition, development, construction and rehabilitation. The income level to be served in this program will be at 50% or below median family income (currently \$35,550 for a family of four) with a target of below 30% median family income. A per unit subsidy of \$40,000 is estimated with approximately 120 households estimated to be served.

An appropriation in the amount of \$3,400,000 will be available for the homeownership program. Eligible activities for the homeownership program may include but not be limited to community land trust and affordable homeownership through acquisition, development, construction and rehabilitation. The income level to be served in this program will be at 80% or below median family income (currently \$56,900 for a family of four) with a target of 50% - 65% of median family income. A per unit subsidy of \$50,000 is estimated with approximately 60 households estimated to be served.

The AHFC was created by the City Council in 1979 as a public non-profit corporation to facilitate the financing and development of affordable housing for low-and moderate-income residents. As an instrumentality of the City, the AHFC administers affordable housing programs using federal grant funds from the U. S. Department of Housing and Urban development passed through the City, the City's Housing Trust Fund, and the S.M.A.R.T. Housing^{1st} Capital Improvement Fund. The Corporation administers numerous housing programs for the City including assisted housing, rental housing, homebuyer services and owner-occupied services.

AUSTIN HOUSING FINANCE CORPORATION
GENERAL OBLIGATION CAPITAL IMPROVEMENT BUDGET
FY2007-2008
Exhibit A

	Funding FY07-08	Estimated Households to be Served
<u>Sources of Funds</u>		
General Obligation Bonds	8,500,000	
Total Source of Funds	<u>8,500,000</u>	
<u>Uses of Funds</u>		
<u>HOUSING DEVELOPMENT</u>		
<u>Rental Housing:</u>		
<u>Rental Development Services</u>		
Rental Hsg. Development Assistance.....	5,100,000	120
Subtotal, Rental Housing.....	<u>5,100,000</u>	<u>120</u>
<u>Homebuyer Services</u>		
<u>Homeownership Development</u>		
Acquisition & Development.....	3,400,000	60
Subtotal, Homebuyer Services.....	<u>3,400,000</u>	<u>60</u>
Total Uses of Funds	<u>8,500,000</u>	<u>180</u>

RESOLUTION NO.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
AUSTIN HOUSING FINANCE CORPORATION:**

Section 1. The following terms having the meanings assigned to them in this section:

- (a) **"AHFC Program Guideline"** means the written program guideline prepared for a Bond Program that is approved as to form by the General Counsel.
- (b) **"Board of Directors"** means the Board of Directors of the Corporation.
- (c) **"Bond Program"** means a housing program listed in the Capital Budget that is approved as community development program under Chapter 373, Texas Local Government Code administered on behalf of the City by the Corporation under the annual contract the City enters into with the Corporation to manage and administer the Bond Program.
- (d) **"Capital Budget"** means the Corporation's General Obligation Capital Improvement Budget for Fiscal Year 2007-2008 set forth on **Exhibit A**.
- (e) **"City"** means the City of Austin, Texas.
- (j) **"Corporation"** means the Austin Housing Finance Corporation.

- (k) **"General Counsel"** means the General Counsel of the Corporation and includes any General Counsel designee.
- (l) **"General Manager"** means the General Manager of the Corporation and includes any General Manager designee.

Section 2. The Board of Directors approves the Capital Budget.

Section 3. The General Manager is authorized to prepare, adopt, issue and amend AHFC Program Guidelines, if no expenditures of the Corporation's funds for a Bond Program occur prior to the effective date of the AHFC Program Guidelines.

Section 4. Subject to the limitations of Section 5, the General Manager is authorized to expend:

- (a) the Capital Budget; and
- (b) any funds unspent at the close of Fiscal Year 2006-2007 that are associated with the Bond Program.

Section 5. The General Manager may expend the amounts described in Section 4 without additional authority or approval from the Board of Directors if:

- (a) the amounts to be expended are available and are used for the programs and purposes in the Capital Budget;
- (b) the activity for which funds are expended is a Bond Program;

- (c) before funds are expended for a Bond Program, AHFC Program Guidelines have been prepared in accordance with Section 3 or by the City;
- (d) the General Counsel approves the form of the contract; and
- (e) the amounts expended for any single contract expenditure do not exceed \$300,000, except that any real estate sale or acquisition by the Corporation does not exceed \$250,000.

ADOPTED: _____, 2007

ATTEST:

Shirley A. Gentry

Secretary